

# ***Small Business Resources and Tax Updates***

***Eglin AFB Small Business Open House***

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**Small Business/Self-Employed  
Division  
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# ***American Recovery and Reinvestment Act of 2009***

- ***Section 179 Expense***
- ***Extension of Bonus Depreciation Deductions***
- ***Work Opportunity Credit***



## The American Recovery and Reinvestment Act of 2009: Information Center

[Información en Español](#)

Video: [English](#) | [Spanish](#) | [ASL](#)

The IRS is implementing the tax-related provisions of the American Recovery and Reinvestment Act of 2009 (ARRA) as quickly as possible. More information on these and other provisions of the recovery program will be available on this Web site as it becomes available.

### Information for Individuals

Some of the provisions of the law primarily affect individuals.

- **Making Work Pay Tax Credit.** This tax credit means more take-home pay for many Americans. To make sure enough tax is withheld from their pay, taxpayers can use the [IRS withholding calculator](#). See [Making Work Pay](#) for more.
- **First-Time Homebuyer Credit Expands.** Homebuyers who purchase in 2009 can get [a credit of up to \\$8,000](#) with no payback requirement.
- **Money Back for New Vehicle Purchases.** Taxpayers who buy certain new vehicles in 2009 can [deduct the state and local sales taxes](#) they paid or other taxes and fees they paid in [states with no sales tax](#).
- **Enhanced Credits for Tax Years 2009, 2010.** Find details on the [earned income tax credit](#), [additional child tax credit](#) and the [American Opportunity Credit](#), a new higher education benefit.

# Work Opportunity Credit

- Unemployed veterans and disconnected youth added
  - Unemployed veteran is:
    - Discharged or released from active duty in the Armed Forces during the 5-year period ending on the hiring date
    - Receives unemployment compensation for not less than 4 weeks during the 1-year period ending on the hiring date
  - Disconnected Youth
    - At least age 16 but not age 25 or older on the hiring date
    - Not attending any high school, technical school or post-secondary school during the 6-month period ending on the hiring date
    - Not being regularly employed during that 6-month period, and
    - Not being readily employable due to a lack of having a sufficient number of basic skills
- For employees beginning work after 2008



# ***Recordkeeping***

- Monitor progress of business activity
- Prepare financial statements
- Identify source of receipts
- Keep track of deductible expenses
- Prepare tax returns
- Support items reported on tax returns

# ***Other Related IRS Publications***

- Publication 535, Business Expenses
- Publication 536, Net Operating Losses
- Publication 547, Casualties, Disasters and Thefts (Business and Non-Business)
- Publication 594, The IRS Collection Process



# ***Identity Theft & Phishing IRS Efforts to Protect Taxpayer Privacy***

## ***What is Identity Theft?***

A fraud committed, or attempted, using the identifying information of another person without authority



# ***Phony “IRS” fax***

- Promise of refund
- Requests personal and financial information
- IRS never sends unsolicited faxes





# ***Phony “IRS” E-mail Scam***

- Appears to be online customer survey
- Promises \$80 payment
- Requests name, phone number and credit card information



# ***Phony “Tax Court” e-mail***

- Appears to be a U.S. Tax Court petition
- Instructs recipient to download files—malware!
- Tax Court does not e-mail notices

# ***IRS Strategy to Address Identity Theft***

- Focus: Victim Assistance, Outreach and Prevention
- Privacy, Information Protection and Data Security (PIPDS)
- *New!* Information Protection Specialized Unit (Call 800-908-4490)

# ***Additional Resources***

- Security Tips from the Federal Government and technology industry

[www.onguardonline.gov](http://www.onguardonline.gov)

- IRS Publication 4535, *ID Theft Prevention and Victim Assistance*



# Tips on selecting a return preparer

- Every taxpayer is legally responsible for all the information entered on a tax return
- Tax evasion is a crime which can be punishable by:
  - A fine of \$100,000 for individuals or \$500,000 for corporations
  - Maximum of five years in prison per I.R.C. §7201



# Tips on selecting a return preparer

- The law requires a paid preparer to:
  - sign the return
  - complete all information in the space provided for paid preparers
  - provide you with a copy of the return
  - retain a copy of your return or a list showing your name and social security number for three years

A return preparer can only use your information to prepare and file your tax return with the IRS. It is a crime for a tax return preparer to disclose to others information provided by you for the preparation of your return.



# Tips on selecting a return preparer

- Before you sign, ensure the following are correct:
  - Name
  - Address
  - Social security numbers
  - Individual taxpayer identification number (ITIN)

# Tips on selecting a return preparer

- Be sure you understand all amounts before you sign.
- Never sign a blank return.
- Never sign a return in pencil.



# Tips on selecting a return preparer

Some examples of the methods dishonest preparers use to illegally reduce taxable income

- claiming false dependents
- false and inflated itemized deductions
  - charitable contributions
  - medical and dental expenses



# Tips on selecting a return preparer

- Research the preparer's qualifications
- Avoid businesses who delegate the work to someone with less experience or knowledge
- Select a preparer who will be available to assist you in the future.

# Tips on selecting a return preparer

- Avoid preparers who guarantee they can obtain a larger refund than others
- Research your preparer's credentials to ensure they meet your needs:
  - enrolled
  - unenrolled preparer
  - public accountant
  - tax attorney



# Tips on selecting a return preparer

- File Form 2848, *Power of Attorney and Declaration of Representative*, to request the IRS:
  - Send a copy of correspondence to your preparer
  - Send your refund check to your preparer
- **NOTE:** Only you can sign and cash the refund check.



# Tips on selecting a return preparer

- Check if your preparer is affiliated with a professional organization which:
  - provides or requires their members to obtain continuing education
  - requires they adhere to a code of ethics

# Tips on selecting a return preparer

- The taxpayer is responsible for all items on the return
- Choose your return preparer carefully.

# Additional Small Business Information

- Visit [IRS.gov](https://www.irs.gov), Search:
  - Video
  - Audio
  - Small Business Tax Center
  - Audit Technique Guides
  - IMRS
  - E-News
  - Phone Forums and Webinars



**Enter the associated word(s) in the  
Keyword/Search Terms box to quickly find the**

**Visit** [www.irs.gov](http://www.irs.gov)  
right Web page

<b>Topic</b>	<b>Search Word(s)</b>
Small Business and Self-Employed Tax Center	self-employed
Business-Related News	business-related news
Starting, Operating, or Closing a Business	starting, operating, or closing
Business Taxes	business tax
Business Expenses	business expense





Topic	Search Word(s)
Employer ID Number	ein
Employment Taxes	employment taxes
E-File for Business	e-file for business
Tax Information for Specific Industries or Professions	industries
Electronic Federal Tax Payment System (EFTPS)	eftps
Electronic Newsletters	e-news subscribe
Small Business Tax	small business tax



Topic	Search Word(s)
Virtual Small Business Workshop CD	virtual cd
Tax Calendar for Small Businesses	small calendar
Local IRS Office Locations	office
IRS Hotlines and Local Numbers	hotlines
State Resources for Small Business	state
IRS Links to Other Small Business Resources	small business resources



# ***Telephone Numbers***

Business and Specialty Taxes	(800) 829-4933
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E-help	(866) 255-0654
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Information Return Reporting	(866) 455-7438
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Report Tax Schemes	(866) 775-7474
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National Taxpayer Advocate	(877) 777-4778
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***Thank You***

***Questions &  
Comments***